

**ECONOMIC AND FISCAL IMPACT STATEMENT**  
**(REGULATIONS AND ORDERS)**

STD. 399 (Rev. 2-98)

See SAM Sections 6600 - 6680 for Instructions and Code Citations

DEPARTMENT NAME Secretary of State	CONTACT PERSON Theresa Aguilar Finger	TELEPHONE NUMBER (916) 651-9532
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Standards Incorporated by Reference and the Definition of Trusted System		NOTICE FILE NUMBER Z

**ECONOMIC IMPACT STATEMENT****A. ESTIMATED PRIVATE SECTOR COST IMPACTS** *(Include calculations and assumptions in the rulemaking record.)*

1. Check the appropriate box(es) below to indicate whether this regulation:

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> a. Impacts businesses and/or employees | <input type="checkbox"/> e. Imposes reporting requirements   |
| <input checked="" type="checkbox"/> b. Impacts small businesses            | <input type="checkbox"/> f. Imposes prescriptive instead of performance standards  |
| <input type="checkbox"/> c. Impacts jobs or occupations                    | <input type="checkbox"/> g. Impacts individuals  |
| <input type="checkbox"/> d. Impacts California competitiveness             | <input type="checkbox"/> h. None of the above <i>(Explain below. Complete the Fiscal Impact Statement as appropriate.)</i> |

h. (cont.) See details attached.

*(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)*2. Enter the total number of businesses impacted: unknown Describe the types of businesses *(Include nonprofits)*:  
See details attached.

Enter the number or percentage of total businesses impacted that are small businesses: \_\_\_\_\_

3. Enter the number of businesses that will be created: \_\_\_\_\_ eliminated: \_\_\_\_\_

Explain: See details attached.

4. Indicate the geographic extent of impacts: ☒ Statewide ☒ Local or regional *(list areas)*: \_\_\_\_\_

As referenced in Government Code section 12168.7.

5. Enter the number of jobs created: None or eliminated: None Describe the types of jobs or occupations impacted: \_\_\_\_\_

6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?

☐ Yes ☒ No If yes, explain briefly: Businesses are already aware of the standards. The regulations are identifying one standard and one guideline by name.
**B. ESTIMATED COSTS** *(Include calculations and assumptions in the rulemaking record.)*

1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ \_\_\_\_\_

- |   |                                |              |
|---|--------------------------------|--------------|
| a. Initial costs for a small business: \$ _____   | Annual ongoing costs: \$ _____ | Years: _____ |
| b. Initial costs for a typical business: \$ _____ | Annual ongoing costs: \$ _____ | Years: _____ |
| c. Initial costs for an individual: \$ _____      | Annual ongoing costs: \$ _____ | Years: _____ |

d. Describe other economic costs that may occur: See details attached.

**ECONOMIC AND FISCAL IMPACT STATEMENT *cont.* (STD. 399, Rev. 2-98)**

2. If multiple industries are impacted, enter the share of total costs for each industry: \_\_\_\_\_
3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. *(Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.):* \$ \_\_\_\_\_
4. Will this regulation directly impact housing costs? ☐ Yes ☒ No If yes, enter the annual dollar cost per housing unit: \$ \_\_\_\_\_ and the number of units: \_\_\_\_\_
5. Are there comparable Federal regulations? ☒ Yes ☐ No Explain the need for State regulation given the existence or absence of Federal regulations: The U.S. National Archives and Records Administration accepts PDF/A formatted files.
- Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ \_\_\_\_\_

**C. ESTIMATED BENEFITS** *(Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)*

1. Briefly summarize the benefits that may result from this regulation and who will benefit: \_\_\_\_\_  
See details attached.
2. Are the benefits the result of: ☒ specific statutory requirements, or ☐ goals developed by the agency based on broad statutory authority?  
Explain: Government Code section 12168.7 requires adoption of standards.
3. What are the total statewide benefits from this regulation over its lifetime? \$ Unknown

**D. ALTERNATIVES TO THE REGULATION** *(Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)*

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: The Secretary of State has not identified any alternatives to the proposed regulations.
2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:
- |                |                   |                |
|----------------|-------------------|----------------|
| Regulation:    | Benefit: \$ _____ | Cost: \$ _____ |
| Alternative 1: | Benefit: \$ _____ | Cost: \$ _____ |
| Alternative 2: | Benefit: \$ _____ | Cost: \$ _____ |
3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: \_\_\_\_\_
4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? ☐ Yes ☒ No  
Explain: No alternatives have been identified.

**E. MAJOR REGULATIONS** *(Include calculations and assumptions in the rulemaking record.)*

*Cal/EPA boards, offices and departments are subject to the following additional requirements per Health and Safety Code section 57005.*

**ECONOMIC AND FISCAL IMPACT STATEMENT *cont. (STD. 399, Rev. 2-98)***

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million ? ☐ Yes ☒ No *(If No, skip the rest of this section)*
2. Briefly describe each equally as effective alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:
- Alternative 1: \_\_\_\_\_
- Alternative 2: \_\_\_\_\_
3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:
- |                |          |                                 |
|----------------|----------|---------------------------------|
| Regulation:    | \$ _____ | Cost-effectiveness ratio: _____ |
| Alternative 1: | \$ _____ | Cost-effectiveness ratio: _____ |
| Alternative 2: | \$ _____ | Cost-effectiveness ratio: _____ |

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**FISCAL IMPACT STATEMENT**

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**A. FISCAL EFFECT ON LOCAL GOVERNMENT** *(Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years)*

- ☐ 1. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:
- ☐ a. is provided in (Item \_\_\_\_\_, Budget Act of \_\_\_\_\_) or (Chapter \_\_\_\_\_, Statutes of \_\_\_\_\_)
- ☐ b. will be requested in the \_\_\_\_\_ Governor's Budget for appropriation in Budget Act of \_\_\_\_\_  
(FISCAL YEAR)
- ☐ 2. Additional expenditures of approximately \$ \_\_\_\_\_ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:
- ☐ a. implements the Federal mandate contained in \_\_\_\_\_
- ☐ b. implements the court mandate set forth by the \_\_\_\_\_  
court in the case of \_\_\_\_\_ vs. \_\_\_\_\_
- ☐ c. implements a mandate of the people of this State expressed in their approval of Proposition No. \_\_\_\_\_ at the \_\_\_\_\_  
election; (DATE)
- ☐ d. is issued only in response to a specific request from the \_\_\_\_\_  
\_\_\_\_\_, which is/are the only local entity(s) affected;
- ☐ e. will be fully financed from the \_\_\_\_\_ authorized by Section \_\_\_\_\_  
(FEES, REVENUE, ETC.)  
\_\_\_\_\_ of the \_\_\_\_\_ Code;
- ☐ f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit.
- ☐ 3. Savings of approximately \$ \_\_\_\_\_ annually.
- ☐ 4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law and regulations.



**ECONOMIC AND FISCAL IMPACT STATEMENT *cont.* (STD. 399, Rev. 2-98)**

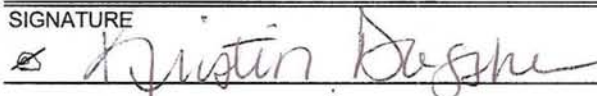

- ☐ 5. No fiscal impact exists because this regulation does not affect any local entity or program.
- ☒ 6. Other.

**B. FISCAL EFFECT ON STATE GOVERNMENT** *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)*

- ☐ 1. Additional expenditures of approximately \$\_\_\_\_\_ in the current State Fiscal Year. It is anticipated that State agencies will:
- ☐ a. be able to absorb these additional costs within their existing budgets and resources.
- ☐ b. request an increase in the currently authorized budget level for the \_\_\_\_\_ fiscal year.
- ☐ 2. Savings of approximately \$\_\_\_\_\_ in the current State Fiscal Year.
- ☐ 3. No fiscal impact exists because this regulation does not affect any State agency or program.
- ☒ 4. Other.

**C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS** *(Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)*

- ☐ 1. Additional expenditures of approximately \$\_\_\_\_\_ in the current State Fiscal Year.
- ☐ 2. Savings of approximately \$\_\_\_\_\_ in the current State Fiscal Year.
- ☐ 3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.
- ☒ 4. Other.

SIGNATURE		TITLE	
		Budget Officer 11/30/10	
AGENCY SECRETARY <sup>1</sup>		DATE	
APPROVAL/CONCURRENCE		12/1/10	
DEPARTMENT OF FINANCE <sup>2</sup>	PROGRAM BUDGET MANAGER	DATE	
APPROVAL/CONCURRENCE			

1. The signature attests that the agency has completed the STD. 399 according to the instructions in SAM sections 6600-6680, and understands the impacts of the proposed rulemaking. State boards, offices, or departments not under an Agency Secretary must have the form signed by the highest ranking official in the organization.
2. Finance approval and signature is required when SAM sections 6600-6670 require completion of the Fiscal Impact Statement in the STD. 399.

**ECONOMIC AND FISCAL IMPACT STATEMENT (STD. 399)**  
**November 30, 2010**

**TITLE 2. ADMINISTRATION**  
**DIVISION 7. SECRETARY OF STATE**  
**CHAPTER 15. TRUSTWORTHY ELECTRONIC DOCUMENT OR RECORD**  
**PRESERVATION**

**ECONOMIC IMPACT STATEMENT**

In an effort to make it easier to follow standards recommended by Association of Information and Image Management (AIIM) or American National Standards Institute (ANSI), as already required under Government Code 12168.7, the proposed regulations will incorporate by reference, standards and guidelines recommended by AIIM or ANSI; and provide clarification of the term "trusted system" as used in Government Code section 12168.7.

The regulations will impact county government offices, including the Board of Supervisors, County Recorder, County Auditor, County Treasurer, and social service agencies; city government offices; special districts; and the State Registrar of Vital Statistics.

Entities that convert documents to electronic media and want to destroy the original and/or have digital-born documents that need to be stored to a trusted system must ensure their electronic system complies with the standards and guidelines set forth in these regulations.

The Secretary of State estimates that there will be no adverse private sector cost impacts from these regulations. The regulations are intended to adopt standards for the purpose of recording, storing, and reproducing permanent and nonpermanent records or documents in electronic media. The Secretary of State's intent is to adopt regulations that help organizations create and maintain authentic, reliable, and useable records, and to protect the integrity of those electronic records for as long as required. However, it is impossible to quantify the number of businesses that will benefit or the actual cost savings to business.

**FISCAL IMPACT STATEMENT**

Most electronic content management vendors support the technologies required in the regulations. It would be the responsibility of the agency to confirm with their vendor whether their system(s) meets the relevant adopted standards under Government Code section 12168.7. It should be noted that the vendors would be responsible for technical compliance with the appropriate standards, and the organization would be responsible for the procedural aspects of this compliance.

Please note that many vendors are already members of either AIIM or ANSI standard-setting committees and do try to stay current.

The costs for the standards or guideline that are recommended in the regulations are shown below:

Standard	Description	Price
ANSI/AIIM/CGATS/ISO 19005-1:2005 (incorporated by reference)	Document Management - Electronic File Format for Long-term) Preservation - Part 1: Use of PDF 1.4 (PDF/A-1)	\$ 92.00
AIIM ARP1-2009	Recommended Practice - Analysis, Selection, and Implementation of Electronic Document Management Systems (EDMS)	Free
ISO TR 15801:2009 (optional)	Document management - Information stored electronically - Recommendations for trustworthiness and reliability	\$ 141.00
ISO TR 12033:2009 (optional)	Document management - Electronic imaging - Guidance for selection of document image compression methods	\$ 86.00
	Cost Range Total	\$ 92.00 to 319.00

However, based on preliminary meetings with stakeholders, due to the technical nature of these standards, many of their vendors may already have the standards. The stakeholders would then work with their vendors to ensure their electronic records meet these requirements. If this is the case, there would not be any costs to the entities referenced in Government Code section 12168.7 to purchase the standards.

Any costs to meet the conditions of the standards identified or a trusted system are not known.